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The Conference Board

Economic and Business Environment Program

MONTHLY UPDATE TO

International Economic Scoreboard

A Monthly Report from The Conference Board **May 1989**

SUMMARY

Worldwide, the long expansion continues. "Steady as she goes" is the appropriate slogan for the global business cycle.

Regionally, the latest data confirm the persistent tendency for a stronger pace of advance in the Pacific Region than in North America and Europe.

Nationally, the leading indexes show extra exuberance in two countries—Taiwan and Korea, the perennial front-runners--and sluggishness in two others—Canada and Australia. The Australian situation is a puzzlement, because the leveling off in the leaders is contradicted by great vigor in the economic performance index. But the significant point is that there's no real weakness—i.e., no negative rates of change—to be found in either index for any of the ten countries.

Interpretation: The news-media stories about the economy, especially here in the United States, have had a distinctly pessimistic tone to them for a couple of months now. The business-cycle indicators, however, do not support such an interpretation, at least not to the point of suggesting a substantial risk of recession near term. And with most industrial economies operating close to full capacity, inflation is bubbling up. Here too, however, because the pace of economic advance remains moderate in the large countries, the odds are against a virulent outbreak of the price disease.

Summary Of Growth Rates, Ten Industrial Countries

	Ten-year Growth Rate	Indexes of Economic Performance Growth Rates*			Leading Business Cycle Indexes Growth Rates*				
		6 mos. ago	3 mos. ago	Latest month	6 mos. ago	3 mos. ago	Latest month	Current Reading on the Cycle	Latest Month Covered
	1976-86	annual rates, percent							
Ten countries	3	5	5	5	7	5	7	Expansion continuing	Feb.
9 countries excl. U.S.	3	6	6	5	9	7	7	Expansion continuing	Feb.
North America (2)	3	4	4	5	3	3	6	Expansion continuing	Feb.
Europe (4)	2	6	5	5	5	5	5	Expansion continuing	Feb.
Pacific Region (4)	4	6	7	6	16	10	9	Expansion continuing	Feb.
United States	3	4	4	5	1	5	5	Expansion continuing	Mar.
Canada	3	4	4	3	1	0	1	Expansion continuing, leaders weak	Feb.
West Germany	2	4	4	4	5	4	7	Expansion continuing	Mar./Feb.
France	2	8	8	6	7	8	5	Expansion continuing	Feb./Mar.
United Kingdom	2	5	7	6	2	4	2	Expansion continuing	Feb.
Italy	2	7	3	3	5	4	3	Expansion continuing	Dec./Feb.
Japan	4	6	7	11	13	13	6	Expansion continuing	Mar.
Australia	3	6	9	11	9	6	0	Expansion continuing, leaders weak	Feb.
Taiwan, R.O.C.	8	8	8	11	16	11	12	Expansion continuing, leaders strong	Mar.
Korea, R.O.K.	7	6	4	8	9	11	10	Expansion continuing, leaders strong	Mar.

* Ratio of current month's index to average index over the preceding 12 months, expressed as a compound annual rate.

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INDEXES, WORLDWIDE AND BY REGION, 1987-88

		10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (4)	
		Indexes, 1980 = 100									
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Sept.	87	120	134	121	134	119	132	112	118	134	163
Oct.	87	121	133	122	134	120	131	113	118	135	161
Nov.	87	121	132	122	132	120	130	114	117	135	159
Dec.	87	122	132	123	132	121	131	114	117	137	158
Jan.	88	122	132	123	132	121	131	115	118	137	158
Feb.	88	123	132	125	132	122	132	116	118	140	157
Mar.	88	124	134	126	135	122	132	116	119	140	162
Apr.	88	124	135	125	136	123	132	116	119	140	167
May	88	124	136	126	138	123	131	117	120	140	171
June	88	125	138	127	140	124	134	118	120	142	173
July	88	126	138	127	140	124	133	118	121	142	175
Aug.	88	126	139	128	142	124	134	118	121	142	177
Sept.	88	126	138	128	141	124	133	119	122	144	176
Oct.	88	127	139	129	141	125	134	119	122	144	176
Nov.	88	128	139	130	142	125	134	120	123	146	176
Dec.	88	128	141	130	143	126	136	120	123	146	180
Jan.	89	129	142	130	145	127	138	121	125	146	181
Feb.	89	129	142	131	144	127	138	121	124	147	181

10 Countries		9 Countries excl. U.S.		North America (2)		Europe (4)		Pacific Region (3)	
Growth Rates, Percent									
Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
5	13	5	17	5	8	5	4	7	36
6	10	6	13	6	6	5	3	7	28
6	7	6	9	6	4	5	1	7	20
6	5	7	7	6	3	6	1	8	14
6	4	7	5	5	3	6	2	8	10
7	4	8	4	6	3	6	2	10	6
7	5	8	6	6	3	6	3	10	10
6	5	6	7	5	2	6	2	7	13
5	5	6	8	5	0	6	3	7	16
6	7	7	9	5	4	6	4	8	15
5	6	6	9	5	3	6	4	7	15
5	7	6	9	4	3	6	5	6	16
5	5	6	8	4	1	5	4	7	12
5	6	5	7	4	3	5	5	7	11
5	5	6	7	4	3	5	5	7	10
5	7	6	8	4	5	5	5	7	12
5	8	5	9	5	7	5	7	6	12
5	7	5	7	5	6	5	5	6	9
Ten Year Annual Growth Rate, Percent									
3	3	3	3	3	3	2	2	4	4

INDEXES, TEN COUNTRIES, 1987-89

		U.S.		Canada		West Germany		France		U.K.		Italy		Japan		Australia		Taiwan, R.O.C.		Korea, R.	K.
		Indexes, 1980 = 100																			
		Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.	Perf.	Lead.
Sept.	87	118	133	124	124	111	117	118	122	111	117	108	115	131	165	126	124	171	193	187	197
Oct.	87	120	132	125	122	111	117	119	120	112	117	109	115	132	164	126	124	171	194	187	189
Nov.	87	120	131	126	123	112	116	120	120	113	116	109	114	133	161	126	123	171	191	191	195
Dec.	87	121	132	126	123	112	116	120	121	114	116	110	115	134	159	128	123	171	193	196	198
Jan.	88	120	132	127	125	112	117	121	121	114	117	111	114	134	158	128	123	170	192	199	203
Feb.	88	121	133	127	125	112	118	122	122	115	117	112	115	137	158	130	124	174	197	203	203
Mar.	88	122	133	128	125	113	118	123	123	116	117	113	116	137	163	132	125	172	201	203	207
Apr.	88	122	133	128	125	112	118	123	122	116	117	113	116	137	169	130	126	172	202	199	204
May	88	122	132	128	125	113	119	124	124	117	118	113	117	137	174	131	128	174	205	198	205
June	88	123	135	129	126	114	119	125	126	117	118	114	117	139	176	133	129	175	206	200	209
July	88	123	133	129	125	114	121	125	126	118	118	115	117	139	178	134	129	177	209	199	212
Aug.	88	124	135	130	124	115	121	126	126	118	118	114	118	139	180	134	131	180	215	203	215
Sept.	88	124	134	130	125	115	121	127	128	118	118	113	118	140	178	137	131	181	217	204	211
Oct.	88	125	135	130	125	115	121	127	128	120	118	113	119	141	178	138	129	180	218	206	215
Nov.	88	125	135	130	125	115	122	129	130	120	120	114	119	142	178	138	131	184	219	206	218
Dec.	88	126	137	131	126	116	123	129	130	121	119	114	119	143	182	140	129	184	218	206	221
Jan.	89	126	139	131	126	116	125	130	131	121	120		120	143	184	140	129	185	219	209	224
Feb.	89	127	139	131	126	117	125	130	131	122	119		120	143	184	143	129	184	219	211	218
Mar.	89	127	138			117			130					148	182			189	225	212	225
		Growth Rates, Percent																			
Sept.	87	5	8	6	8	3	5	6	6	7	3	1	0	6	41	7	9	12	20	13	21
Oct.	87	6	7	7	5	3	5	6	3	7	2	3	0	6	32	6	8	10	18	11	9
Nov.	87	5	4	7	6	4	2	6	3	7	0	3	-2	7	22	5	5	8	13	13	14
Dec.	87	6	3	7	5	4	2	7	2	6	-1	3	-1	7	15	8	4	6	13	16	14
Jan.	88	5	3	7	6	3	3	7	2	6	2	6	-2	7	10	7	3	4	9	18	18
Feb.	88	6	3	6	5	4	3	6	4	6	3	6	-1	10	6	8	4	8	12	19	15
Mar.	88	6	3	6	5	4	3	6	4	6	1	7	1	9	10	9	5	4	14	16	16
Apr.	88	6	1	5	4	3	3	6	3	7	1	7	1	8	14	6	6	4	12	10	11
May	88	5	0	5	4	3	4	7	4	7	1	6	3	7	17	6	8	4	14	7	10
June	88	5	4	5	4	4	4	7	7	6	1	7	3	8	16	9	8	5	12	7	12
July	88	5	1	5	1	3	5	7	6	6	2	7	3	7	16	9	7	6	13	5	13
Aug.	88	4	3	4	1	5	5	8	6	5	2	5	5	6	16	7	9	8	17	8	14
Sept.	88	4	1	4	1	4	4	8	7	6	1	3	4	6	13	10	8	8	16	6	7
Oct.	88	4	3	4	0	3	5	7	8	6	2	2	5	6	11	11	5	7	15	7	10
Nov.	88	4	3	4	0	4	4	8	9	7	4	3	4	7	10	9	6	10	14	6	11
Dec.	88	4	5	4	1	4	6	7	8	7	2	3	4	7	13	11	3	8	11	4	12
Jan.	89	5	7	4	2	4	8	7	9	5	3		5	5	13	8	2	9	10	7	13
Feb.	89	5	6	3	1	4	7	6	7	6	2		3	5	10	11	0	6	8	8	5
Mar.	89	5	5			4			5					11	6			11	12	8	10
		Ten Year Annual Growth Rate, Percent																			
1976-86		3	3	3	3	2	2	2	2	2	2	2	2	4	4	3	3	8	8	7	7